

# Overview of the Virginia State Planning Grant Program

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VIRGINIA STATE PLANNING GRANT

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# Virginia State Planning Grant (SPG I)

**Grant Amount:** \$969,729

**Funding Period:** September 1, 2003 – August 31, 2004 (with one year no-cost extension granted through August 31, 2005)

**Purpose:** In-depth analysis and related activities needed to determine most effective methods for providing insurance coverage for the uninsured

# SPG I

## Primary Objectives

- 1. Summarize data, studies, and literature on the causes and consequences of non-insurance in Virginia.**



# SPG I

## Primary Objectives

2. **Acquire best available data** and synthesize new data from Virginia surveys on the costs and causes of employed non-insured; **Examine** costs to the: safety net, state and local governments, and society in general.

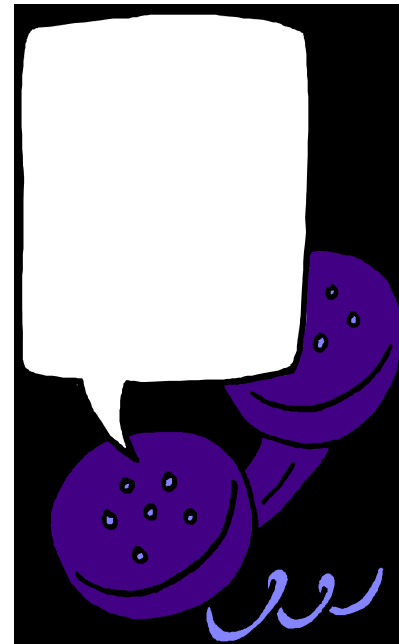




# SPG I

## Primary Objectives

**3. Provide Oversight**  
for the Coordinated  
State Coverage  
Survey (SHADAC -  
Subcontractor).

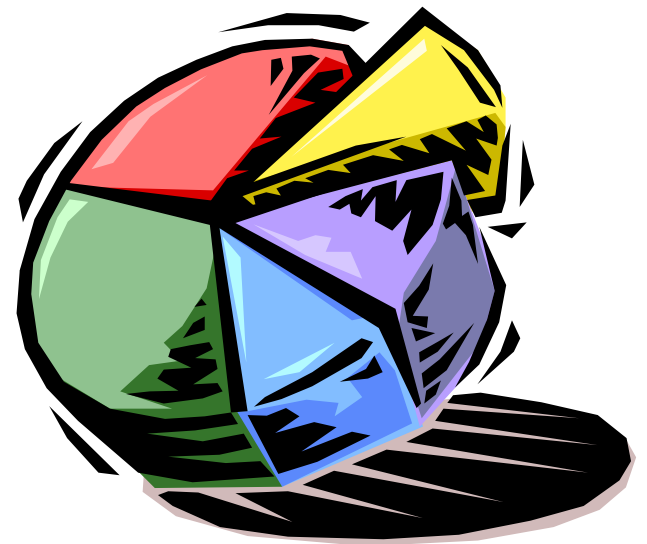




# SPG I

## Primary Objectives

- 4. Develop estimates of Virginia employer-based health coverage, by business sector.**



# SPG I

## Primary Objectives

**5. Identify feasible options** for expanding health insurance coverage (using Virginia data and lessons learned from other states) and **Recommend 1-2** for consideration in VA.





## SPG I - Final Deliverables

- **Develop a business plan** for Virginia recommended coverage options including impact projections.
- **Submit recommendations to the Governor** through Secretary of Health and Human Resources.





# InsureMoreVirginians.org

## Virginia State Planning Grant

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From 2000-2004, American workers and employers saw double-digit increases in health insurance premiums. Increases of 8 to 10 percent are expected in 2005. More and more, the high cost of coverage is making health insurance unaffordable. More than one in four American workers under age 65 is projected to have no health insurance by 2013 because they will be unable to afford the premiums. Virginia State Planning Grant funds will allow the Commonwealth to gather important information about its uninsured population; solicit stakeholder

input about the feasibility of various models and their strategies for increasing health care coverage; and make recommendations to the Governor and the Secretary of Health and Human Resources regarding strategies for reducing the State's uninsured population.

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### Headlines

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### Calendar of Events (see all)

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January 26-28, 2006

### Health and Insurance Legislation Information

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The U.S. Department of Health and Human Services' [Health Resources and Services Administration \(HRSA\) State Planning Grants Program](#) has awarded the Virginia Department of Health Office of Health Policy and Planning with three rounds of grant funding for a total of just under \$1.18 million to collect data, conduct research, and develop plans to provide greater access to affordable health insurance coverage for uninsured Virginians.

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- **SPG II - The Virginia State Planning Grant - FY 04 (October 2004 - September 2006)**
  - [Overview](#) - Summary of goals and activities of SPG II.
  - Regional Steering Committee -

### SPG Updates

- [SPG I - Final Report to the Secretary of Health and Human Services](#)
- August 24 SPG Leadership [Meeting Summary](#) and [Final Report](#) are available.
- [SAHIE Maps of County Levels of Uninsurance for Virginia Summary Results](#) for the Small Business Survey of Proposed Insurance Model.
- New [MEPS-IC Data](#) Available in our Research Resources section.

# A Guide to Health Insurance Options for Small Businesses in Virginia



## Table of Contents

Part 1: Insurance Basics

Part 2: Getting Covered

Part 3: What's Available in My Region

Part 4: Helpful Hints & Info

## Important Facts

There are tax benefits when you offer health insurance to your workers.

Typically, health insurance costs substantially less when you buy it as a member of a group rather than on your own.

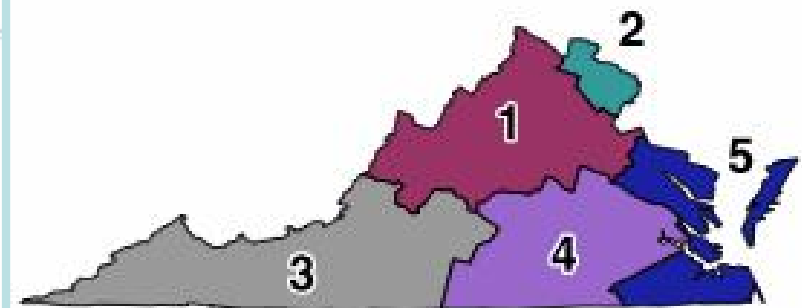


Many employers like you have decided that providing a health insurance benefit to their employees is a sound business decision because evidence shows it reduces employee turnover, increases productivity and allows for favorable tax treatments for the employer and employee.

This information explains the key concepts you need to understand to make an informed decision about health insurance for your employees, for yourself

Individuals working in companies with less than 50 employees are twice as likely to be uninsured as individuals working in companies with more than 50 employees. In a summer 2005 Virginia Department of Business Assistance survey, 97% of small employer respondents indicated they would like to provide health insurance to their employees. Many small employers don't have the time or resources to research what kind of plans are available and how much they cost.

## What's Available in My Region?



Select Your Region...



Go

Select Your County...



Go



# A Guide to Health Insurance Options for Small Businesses in Virginia



## Table of Contents

### Part 1: Insurance Basics

#### How Insurance Works

[Next>>](#)

## Part 1: Insurance Basics

- How Insurance Works
- Alternatives
- Beyond Perfect Health
- Help for the Uninsured
- Consumer Protection

#### Section:

[Do insurance companies have to sell health insurance to my small business?](#)

[What are my options if I'm self-employed?](#)

[What are the tax advantages to me and my employees if I purchase health insurance for my company?](#)

[What are the tax advantages to an individual who purchases health insurance in the individual market?](#)

[What types of insurance plans are available to my company?](#)

[Are there any alternatives to traditional insurance available to my small business?](#)

[How much does health insurance cost?](#)

■ [What is provider choice?](#)

■ [What is the relationship between premiums, employee cost sharing and provider choice?](#)

■ [What is employee cost sharing?](#)

You already know that employees value health insurance as an important benefit, but you may not know that a small business can provide that benefit to employees at a reasonable cost. This site is for small business owners or people thinking of starting a small business. It has practical information and useful charts that simplify the many options available to small companies. The site answers common questions in plain language to help you make the decision that's right for your small business.

# A Guide to Health Insurance Options for Small Businesses in Virginia



## Table of Contents

### Part 1: Insurance Basics

### Part 2: Getting Covered

- Gather Your Information
- Create a Schedule
- Establish a Budget
- Finding Insurance
- Implementing the Plan

## Part 2: Getting Covered

### Gather Your Information

[Next>>](#)

Here's a **standard list of business data** you'll need to provide:

**Employer name.** The legal name of your company.

**Address of your business.** Insurers need the street address, or a P.O. Box, to determine your region or service area.

**Number of employees you plan to cover.** Not all employees will be eligible.

**Employer identification or employer identification number.** This is your EIN (sometimes called FEIN) you obtained from the IRS when you started your business.

**Business background.** Depending on the size of your business, you may have to provide:

- date your business started
- payroll records
- Standard Industry Code (SIC or NAIC) informing the insurer what industry you're in.

- **Quarterly salary and wages** for the past two quarters.
- **Employee census information.** Insurers use this to estimate the health care costs your group is likely to incur. A census **does not** include health status, race, religion, sexual orientation (even if applying for domestic partner benefits), Social Security number, or U.S. citizenship/immigration status. In order to quote you a rate, insurers will ask you to complete a census form for each of your employees with this information:
  - name
  - age or date of birth
  - number of dependents
  - zip code.





# A Guide to Health Insurance Options for Small Businesses in Virginia



## Table of Contents

### Part 1: Insurance Basics

### Part 2: Getting Covered

### Part 3: What's Available in My Region

- Region 1: Northwestern
- Region 2: Northern
- Region 3: Southwestern
- Region 4: Central
- Region 5: Eastern

## Part 3: What's Available in My Region

### Region 4: Central Virginia

#### Health Plan Comparisons Chart (PDF)

The Health Plan Comparisons chart underscores that plan type and employee cost sharing choices have important implications for premium cost and provider choice. In general, plans with more cost sharing have lower premiums, and plans with more cost sharing have higher premiums.

#### Employee Cost Sharing Chart (PDF)

The Employee Cost Sharing chart provides details on enrollees' potential financial responsibilities (in addition to premiums) for medical services, supplies and prescription drugs. These costs are considered "potential" because if no health care is consumed then no cost sharing is incurred.

#### Comparisons of Other Health Benefit Options Chart (PDF)

The Comparisons of Other Health Benefits Options chart provides information about health savings accounts (HSAs), health reimbursement arrangements (HRAs) and flexible spending accounts (FSAs).

#### Complete Central Virginia Regional Insert (PDF)

The Central Regional Insert provides information about insurance products available in this region of Virginia.



(rates effective 8/1/2005)

**KEY:** VL = very low; L = low; M = medium; H = high; VH = very high

[illegible]

# Employee Cost Sharing in Central Virginia

(in addition to the employee's share of the insurance premium)

Product Type	Office Co-pay (In-Network/ Non-Network) <sup>1</sup>	Rx Co-pay <sup>2</sup>	Deductible per person(unless noted)		Coinsurance (after deductible is met)		Out-of-Pocket Maximum <sup>4</sup> (In-Network/ Non-Network)
			In-Network	Non-Network	In-Network	Non-Network	
Aetna PPO Plan 1	\$10/30% after deductible	\$10/\$20/\$35 (+20% non-network)	\$250 inpatient	\$300 per member	\$20 co-pay for some services	30%	\$500/\$1,000 per member
Anthem KeyCare 25 PPO	\$25/40% after deductible	\$10/\$20/\$35	\$500 individual \$1,000 family	\$750 individual \$1,500 family	20% for hospital \$25 co-pay for some services	40%	\$2,500/\$3,750 individual \$5,000/\$7,500 family
Southern Health VA Value PPO	\$15/40% after deductible	\$10/\$30/\$55	None	\$300 individual \$600 family	20% for hospital \$30 co-pay for MD services	40%	\$3,000/\$4,000 individual \$6,000/\$8,000 family
UniCare Premier Flex Saver 1000	\$35/50% for first 4 visits	\$10/\$25/\$50 Maximum \$500 benefit/yr	\$1,000 individual \$2,000 family	\$2,000 per member	30%	50%	\$3,000/\$10,000 individual \$6,000/\$20,000 family
Anthem KeyCare HSA Compatible 1200/100	None/30% after deductible	None after in-network deductible	\$1,200 individual \$2,400 family	\$2,000 individual \$4,000 family	None	30%	\$1,200/\$4,000 individual \$2,400/\$8,000 family
Southern Health VA Value HDHP	None/80% after deductible	None after deductible	\$3,000 individual \$6,000 family	\$5,000 individual \$10,000 family	None	20%	\$3,000/\$10,000 individual \$6,000/\$20,000 family
Anthem HealthKeepers 10 HMO	\$10/NA	\$10/\$20/\$35	\$250 inpatient	NA <sup>3</sup>	\$20 co-pay for some services	NA <sup>3</sup>	\$1,500 individual \$3,000 family
MAMSI Optimum Choice HMO	\$20/NA	\$10/\$30/\$50	None	NA <sup>3</sup>	20% for hospital \$20-\$40 co-pay for some services	NA <sup>3</sup>	\$2,200 individual \$7,200 family
Southern Health VA Value \$20 POS	\$20/30%	\$10/\$30/\$55	None	\$250 individual \$500 family	20% for hospital \$20-\$40 co-pay for MD services	30%	\$3,000 individual \$6,000 family
MAMSI Optimum Choice POS	\$10/\$25	\$10/\$30/\$50 (+20% non-network)	None	None	\$10-\$25 co-pay for some services	20% for hospital \$25 co-pay for some services	\$1,100/\$5,000 individual \$3,600/\$10,000 family



# Virginia State Planning Grant (SPG II)

**Grant Amount:** \$190,000

**Funding Period:** September 1, 2004 – August 31, 2005 (with one year no-cost extension to be requested through August 31, 2006)

**Purpose:** Complete or expand upon activities already initiated with previous grant funds.



## SPG II

# Primary Objectives

1. **Establish a community-based participatory process** for decision-making in health coverage expansion options and **pilot that process** in one region of the State.



## SPG II Primary Objectives

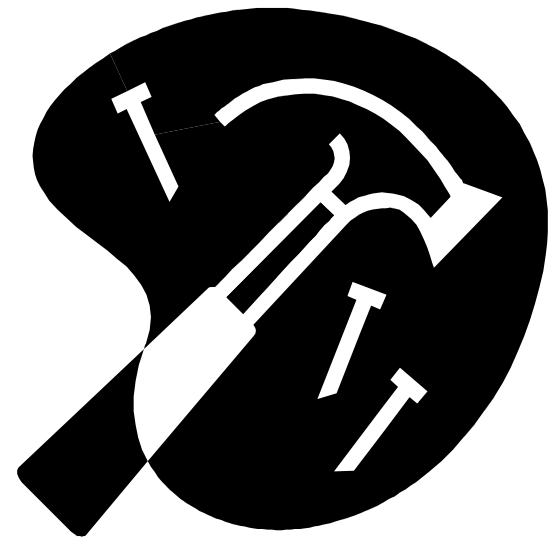
2. **Identify a sustainable mechanism** using local partners to **maintain the region's data compendium** and for providing on-going analyses of changing community needs and conditions over time and to **pilot test** this mechanism in one region.



## SPG II

# Primary Objectives

3. **Develop a decision support methodology and web-based toolkit for regional/community based planning and **pilot test** the toolkit in one region.**



## SPG II - Final Deliverables

- **Develop and pilot test a web-based “toolkit”** that can serve as a template for other regions in the state. The toolkit will include a **data repository, information on the full range of model options, and a web-portal for community based solution resources.**
- **Develop a business plan** for one region’s recommended coverage options including impact projections.





# Virginia State Planning Grant (SPG III)

**Grant Amount:** \$175,000

**Funding Period:** September 1, 2005 – August 31, 2006 (with one year no-cost extension that can be granted through August 31, 2007)

**Purpose:** Complete plans for a two-pronged (supply and demand) approach for expanding coverage to the uninsured population in one region

## SPG III Primary Objectives

1. **Design a new (or modified) insurance product** that adheres to four regionally defined guiding principles:
  - Data-driven
  - Strengthens safety net without crowd-out
  - Ensures cost predictability/control
  - Has portability



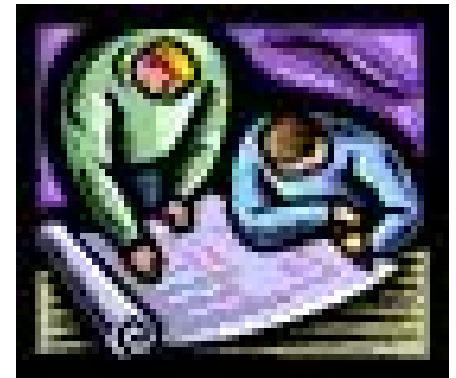
## SPG III Primary Objectives

- 2. Conduct research on the impact of economic development on health insurance coverage rates and develop strategies that could increase the demand for health care coverage based on research findings that can be integrated into the economic development plan for the targeted region.**



## SPG III - Final Deliverables

- **Prototype of a new regional insurance product** that is data driven, strengthens the safety net, has cost predictability/controls, and is portable.
- **Integrate** the concept of **health coverage** into **regional economic development plan** based on research findings.







# For More Information:

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